



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

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DAVID E. JANSSEN
Chief Administrative Officer

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Fifth District

January 17, 2006

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**LEASE AMENDMENT
PROBATION DEPARTMENT
1660 WEST MISSION BOULEVARD, POMONA
(FIRST) (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Mayor to sign the attached Amendment No. 2 to Lease No. 63775, with SAFCO Equity Partnership (Lessor), for a six-year term extension at the facility located at 1660 West Mission Boulevard, Pomona. The facility will continue to provide office space for the Probation Department at an initial annual base rent of \$280,884, plus utilities. The rental costs are 100 percent net County cost. The new six-year lease term will commence upon expiration of the current term.
2. Find that the project is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Class 1, Section r of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15061 (b) (3) of the State CEQA Guidelines.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Since 1991, Probation has provided juvenile and adult services to the northeastern region of Los Angeles County from a facility located at 1660 West Mission Boulevard, Pomona. In June, 2000 via Amendment No. 1, the office space was expanded from 13,680 to 15,280 rentable square feet, to consolidate and increase services to the target population in response to heightened criminal and gang activity in the service area.

The current lease term, as amended, will expire on January 31, 2006. Although this facility does not provide sufficient space to meet the needs of this program, Probation is unable to relocate due to budget constraints and funding deficiencies. The estimated shortfall is 6,800 square feet. The proposed amendment will provide continued occupancy and uninterrupted delivery of services and programs to the target population in the Pomona area. The amendment will continue the existing monthly rental rate and provide both tenant and capital improvements at no additional cost to the County.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

In compliance with the Countywide Strategic Plan, Probation staff will continue to provide efficient delivery of and convenient and centralized public access to probation services (Goal 1, Service Excellence and Goal 3, Organizational Effectiveness). Continued occupancy under the lease structure eliminates additional relocation and lease costs (Goal 4, Fiscal Responsibility). The proposed lease amendment supports these goals with a centrally located facility as further outlined in Attachment A.

FISCAL IMPACT/FINANCING

The proposed action will provide Probation uninterrupted use of 15,280 rentable square feet of office and public service space and 80 parking spaces at a base monthly rent of \$23,407 or \$280,884 annually. The amendment will extend the term of the current lease under the prevailing terms and conditions including the rental rate which will remain subject to an annual Consumer Price Index (CPI) adjustment which has been reduced from a maximum of 6% to 5%. The amendment will also provide the County the right to cancel after 48 months of the lease term and an option to renew the term for an additional five years.

1660 MISSION BLVD. POMONA	EXISTING LEASE AS AMENDED	PROPOSED LEASE	CHANGE
Area (Square feet)	15,280	15,280	None
Term	06/12/2000 - 01/31/2005	02/01/2005 - 01/31/2011	+six years
Annual Rent	\$280,884 or \$18.38/sq. ft., net utilities	\$280,884 or \$18.38/sq. ft., net utilities	None
Parking (included in rent)	80 off-street spaces	80 off-street spaces	None
Cancellation	After 48 months upon 60 days prior written notice	After 48 months upon 180 days prior written notice	+120 days prior written notice
Option to Renew	One five-year option	One five-year option	+One five-year option
Purchase Right	None	None	None
Rental Adjustment	Annual CPI with 6% cap	Annual CPI with 5% cap	-1% Annual CPI cap

Sufficient funding for the base rent of the proposed amendment is included in the 2005-2006 Rent Expense Budget and will be billed back to Probation.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed amendment will provide uninterrupted use of 15,280 rentable square feet of office space and public service space and the use of 80 surface parking spaces. The amendment extends the term under the same terms and conditions provided in the original lease, as amended, including the following provisions:

- The six-year term will commence February 1, 2006, upon expiration of the current lease term;
- The monthly base square foot rental rate will continue at the existing rate of \$1.53;
- The base rent will be subject to annual CPI adjustment not to exceed five percent;
- The County will have the option to renew the term for an additional five years;

- The County will have the right to cancel the lease after 48 months upon 180 days prior written notice;
- The Landlord, at its sole cost and expense, will immediately paint and carpet the entire premises. The work will be performed after normal working hours and on weekends.
- The Landlord, at its sole cost and expense, will replace all heating, ventilation and air conditioning (HVAC) units which are no longer serviceable.
- The Lessor has indemnified the County for any additional loss arising out of the Lessor's maintenance obligations.

The CAO, Real Estate Division staff conducted a survey within the project area to determine the availability of comparable and more economical sites. Staff was unable to identify any suitable sites in the surveyed area that could accommodate this space requirement. Staff has established that the rental range for similar space is between \$16.08 and \$18.72 per square foot per year modified gross plus utilities. Thus, the base annual rental rate of \$18.38 plus utilities per Building Owners Management Association for the proposed lease is within the market range for the area. Attachment B shows all County-owned or leased facilities in proximity of the service area, and there are no County-owned or leased facilities available for this program.

The Department of Public Works has completed a seismic inspection of the facility and found it suitable for the County's occupancy.

LEGAL/NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORT

The CAO has made an initial study of environmental factors and concluded that this project is exempt from CEQA pursuant to Class 1, Section r, of the Environmental Document Reporting Procedures and Guidelines adopted by the Board on November 17, 1987, and Section (b) of the State CEQA Guidelines.

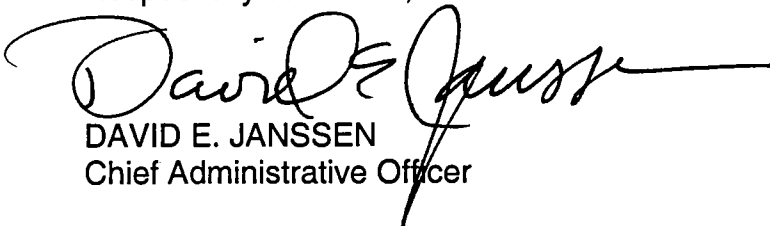
IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed lease amendment will provide space for Probation to continue program operations and provide direct services to probationers living in the northeastern region of Los Angeles County.

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors return two originals of the lease amendment, two originals of the certified copies of the Minute Order and the adopted, stamped Board letter to the CAO Real Estate Division at 222 South Hill Street, 3rd Floor, Los Angeles, CA 90012.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David E. Janssen", with a long horizontal stroke extending to the right.

DAVID E. JANSSEN
Chief Administrative Officer

DEJ:WLD
CEM:MM:lis

Attachments (3)

c: County Counsel
Auditor-Controller
Probation Department

DEPARTMENT OF HEALTH SERVICES
1660 WEST MISSION BOULEVARD, POMONA
Asset Management Principles Compliance Form¹

1.	Occupancy		Yes	No	N/A
A	Does lease consolidate administrative functions? ² Administrative functions will remain centralized at Probation headquarters.				X
B	Does lease co-locate with other functions to better serve clients? ² The Department will continue to use the building exclusively for Probation programs.			X	
C	Does this lease centralize business support functions? ²				X
D	Does this lease meet the guideline of 250 sq.ft of space per person? ²		X		
2.	Capital				
A	Should this program be in leased space to maximize State/Federal funding?				X
B	If not, is this a long term County program?		X		
C	Is it a substantial net County cost (NCC) program?		X		
D	If yes to 2 B or C; is it a capital lease or an operating lease with an option to buy? Amendment to operating lease.			X	
E	If no, are there any suitable County-owned facilities available?			X	
F	If yes, why is lease being recommended over occupancy in County-owned space?				X
G	Is Building Description Report attached as Attachment B?		X		
H	Was build-to-suit or capital project considered? Budget constraints prohibited the consideration of a build-to-suit or capital project.			X	
3.	Portfolio Management				
A	Did department utilize CAO Space Request Evaluation (SRE)?		X		
B	Was the space need justified?		X		
C	If a renewal lease, was co-location with other County departments considered?		X		
D	Why was this program not co-located?				
	1. ___ The program clientele requires a "stand alone" parking area.				
	2. <u>X</u> No suitable County occupied properties in project area.				
	3. <u>X</u> No County-owned facilities available for the project.				
	4. ___ Could not get City clearance or approval.				
	5. ___ The Program is being co-located.				
E	Is lease a full service lease? ² Net utilities.			X	
F	Has growth projection been considered in space request?		X		
G	Has the Dept. of Public Works completed seismic review/approval?		X		
	¹ As approved by the Board of Supervisors 11/17/98				

²If not, why not?

Attachment B

PROBATION DEPARTMENT
SPACE SEARCH 5 MILE RADIUS OF 1660 WEST MISSION BOULEVARD, POMONA

LACO	FACILITY NAME	ADDRESS	SQUARE GROSS	FEET NET	OWNERSHIP	SQUARE FEET AVAILABLE
A344	DCFS-REGION I COVINA SERVICES OFFICE ANNEX	1373 E CENTER COURT DR, COVINA 91724	29525	28050	LEASED	NONE
A359	DPSS-POMONA GAIN PROGRAM REGION III SUBOFFICE	2255 N GAREY AVE, POMONA 91768	19500	18525	LEASED	NONE
D602	DPSS-POMONA WS DISTRICT OFFICE	2040 W HOLT AVE, POMONA 91768	54265	39418	LEASED	NONE
A036	PROBATION-POMONA VALLEY AREA OFFICE	1660 W MISSION BLVD, POMONA 91766	15280	11218	LEASED	NONE
A376	DCFS-POMONA WASHINGTON MUTUAL BUILDING	100 W 2ND ST, POMONA 91766	37315	35449	LEASED	NONE
5307	DHS-POMONA PUBLIC HEALTH CENTER	750 S PARK AVE, POMONA 91766	15980	14960	FINANCED	NONE
3819	POMONA COURTHOUSE - NORTH	350 W MISSION BLVD, POMONA 91766	50934	30181	FINANCED	NONE
5309	POMONA COURTHOUSE - SOUTH	400 CIVIC CENTER PLZA, POMONA 91766	207831	98417	FINANCED	NONE

**AMENDMENT NO. 2 TO LEASE NO. 63775
1660 WEST MISSION BOULEVARD, POMONA**

THIS AMENDMENT NO. 2, TO LEASE NO. 63775 ("Amendment No. 2") made, entered and dated as of this _____ day of _____, 2006 by and between **SAFCO EQUITY PARTNERSHIP**, a California Limited Partnership, hereinafter referred to as "LESSOR" and the **COUNTY OF LOS ANGELES**, a body corporate and politic, hereinafter referred to as "LESSEE".

WHEREAS, a Lease and Agreement by and between Abe and Thelma Grossman as Lessor, and the County of Los Angeles as Lessee was executed on August 21, 1990 (the "Lease"), pursuant to which Lessor leased to Lessee those certain Premises located at 1660 West Mission Boulevard, Pomona, California and;

WHEREAS, SAFCO HOLDING CORP., is the managing general partner for SAFCO EQUITY PARTNERSHIP, a California Limited Partnership, the Lessor, which retains all rights and responsibilities granted pursuant to Lease No. 63775, dated August 21, 1990, as amended by Amendment No. 1 on April 4, 2000 and;

WHEREAS, Lessor and Lessee desire to amend the terms of the Lease and Agreement to extend the term, reduce the monthly per square foot rental rate and improve the premises for Lessee's use and;

WHEREAS, the terms of this Amendment No. 2 to the Lease will not become effective until such time that said Amendment No. 2 is executed by all parties hereto;

NOW, THEREFORE, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and the rents, covenants and agreements herein contained, and intending to be legally bound, Lessor and Lessee hereby covenant and agree as follows:

1. **DESCRIPTION OF PREMISES:** Paragraph 1, Description of Premises, is hereby deleted in its entirety and the following is substituted therefor:

The Lessor, for and in consideration of the performance of the covenants and agreements hereinafter contained to be kept and performed by the Lessee, upon the following terms and conditions, hereby leases to the Lessee, and the Lessee hereby hires and takes of and from the Lessor, those certain premises located at 1660 and 1662 West Mission Boulevard, Pomona, in the County of Los Angeles, State of California, consisting of approximately 15,280 rentable square feet of office space (the "Premises"). The Premises shall consist of a portion of the building at 1660 and 1662 West Mission Boulevard (the "Building") situated on the parcel(s) of real property (the "Land") at the same address, which is legally described in Exhibit A, attached hereto and incorporated herein by this reference.

Lessee has field-measured and verified the exact square footage of the Premises to be 15,280 rentable square feet. All measurements were taken in accordance with the methods of measuring rentable area as described in the Standard Method for Measuring Floor Area in Office Buildings, ANSI Z65.1-1996, as promulgated by the Building Owners and Managers Association (BOMA) International.

2. **TERM:** Paragraph 2. A., ORIGINAL TERM, as amended, is hereby deleted in its entirety and the following is substituted therefor:

The original term of this Lease commenced February 6, 1991 and is hereby extended such that it shall end six (6) years after the later of: (1) February 1, 2006 or (2) adoption of this Amendment No. 2, by the Board of Supervisors, unless this Lease is extended, canceled or otherwise terminated in accordance with the conditions and provisions of the Lease, as amended. The Premises rent shall not be due and owing until Lessee's acceptance of the improvements described in Paragraph 6, hereof, which acceptance shall not be unreasonably withheld.

3. **TERM:** Paragraph 2. C., OPTIONS TO RENEW, as amended, is hereby deleted in its entirety and the following is substituted therefor:

Lessee shall have the option to renew this Lease for a period of five (5) years (the "Option Term"), under the same terms and conditions as set forth in the Lease, as amended, except that the rental rate shall be adjusted by negotiation. The adjusted rent for the Option Term shall not exceed the fair rental value which Lessor could derive from the Premises if they were made available on the open market (the "Fair Rental Rate"). The Fair Rental Rate of the Premises shall be determined by using the rental rate prevailing for similarly-improved office space within a three (3) mile radius of the Premises and subtracting therefrom that portion of the rent covering the tenant improvement allowance, if any, for transactions consummated within the last nine (9) months immediately preceding the commencement date of the Option Term.

Lessee, by Chief Administrative Office letter, shall notify Lessor in writing not less than 120 days prior to expiration of the Lease term of Lessee's intention to exercise its option. The actual exercise of the option shall be only by the Board of Supervisors.

4. **RENT:** Paragraph 3, RENT, is hereby deleted in its entirety and the following is substituted therefor:

Lessee hereby agrees to pay as rent for the Premises during the term, the sum of \$23,406.99 per month, i.e., \$1.53 per rentable square foot per month, payable in advance by Auditor's General Warrant (the "Base Rent"). Rental payments shall be payable within 15 days after the first day of each and every month of the

term hereof provided Lessor has caused a claim therefore for each such month to be filed with the Auditor of the County of Los Angeles prior to the first day of each month.

Lessor agrees that the rental rate herein reflects Lessor's additional costs for maintaining the facility as a result of Lessee's particular use of the premises. Accordingly, Lessor agrees that it shall not be entitled to any additional compensation in any form whatsoever for costs or losses arising out of the maintenance obligations of Lessor hereunder, during or after the expiration of the Lease term, including any option term. The provisions herein shall survive the expiration or sooner termination of this Lease with respect to any claims for compensation arising out of Lessor's maintenance obligations hereunder that occur or arise prior to such expiration or termination.

5. **CANCELLATION:** Paragraph 5, CANCELLATION, is hereby deleted in its entirety and the following is substituted therefor:

Lessee shall have the right to cancel this Lease at or any time after 48 months from the execution of this Amendment No. 2, by giving Lessor not less than 180 days prior written notice by Chief Administrative Office letter.

6. **PREPARATION OF PREMISES:** Paragraph 28, is hereby added to the Lease as follows:

Within 30 days of the date the Lessor is notified in writing the Board of Supervisors of the County of Los Angeles has approved this Amendment No. 2, Lessor, at its sole cost and expense, shall paint the entire Premises and install new carpet squares, including lift and replacement of the modular furniture, throughout the entire Premises and, as part of the base building upgrades, the Lessor, at its sole cost and expense, shall replace any and all HVAC units which are no longer serviceable and beyond their useful life to provide cooling and heating within the range of 70 to 78 degrees Fahrenheit throughout the lease term, (collectively, the "Improvements"). Lessor shall perform all work on the Improvements during weekends and after normal business hours.

In the event Lessor should fail, neglect or refuse to commence the preparation of the Improvements required by Paragraph 28 herein, or fail, neglect or refuse to pursue the Improvements with reasonable diligence to completion, the Lessee at its sole discretion may perform or cause to be performed said Improvements and deduct the cost thereof from the installments of rent next due as a charge to the Lessor.

7. **RENTAL ADJUSTMENT:** Paragraph 26, RENTAL ADJUSTMENT, is hereby deleted in its entirety and the following is substituted therefore:

a. Adjustment Period

For each successive 12 months of the term of this Amendment No. 2, and in the event Lessee exercises its option pursuant to Paragraph 2(b) herein, for each successive 12 month period thereafter, the monthly Base Rental as set forth in Paragraph 3 (Rent) as amended, herein, shall be subject to adjustment. At the first anniversary date of the first day of the first full calendar month following the execution of this Amendment No. 2 and every 12 months thereafter, the rent shall be adjusted in accordance with the CPI formula set forth in Paragraph 26B. The "Base Index" shall be the Index published for the month this Amendment No. 2 is executed.

b. Adjustment Formula

The method for computing the annual rental adjustment shall be by reference to the Consumer Price Index for all Urban Consumers for the Los Angeles-Anaheim-Riverside area, all items published by the United States Department of Labor, Bureau of Labor Statistics (1982-84 = 100), herein referred to as "Index."

The rental adjustment for the Base Rent shall be calculated by: (1) multiplying the Lessor's Base Rent by a fraction, the numerator being the New Index published in the month immediately preceding the month the adjustment is effective, and the denominator being the Base Index which is the Index published for the month this Amendment No. 2 is executed. The formula shall be as follows and the product total shall be the new monthly rent.

$$\frac{\text{New Index}}{\text{Base Index}} \times \$23,406.99 = \text{New Monthly Rent}$$

If the Index is changed so that the base year of the Index differs from that used as of the execution date of this Amendment No. 2, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the term of this Lease, such other governmental Index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised. In the event the parties are unable to agree upon a substitute index (if the original index is discontinued without a replacement) then upon demand by either party, the matter shall be submitted to arbitration in accordance with the provisions of California Code of Civil Procedure Section 1280 et seq. as they now exist or may later be amended for the purpose of determining an alternate method of computing the rent adjustment based upon the increase in the cost of living.

c. General Provisions:

- i. In no event shall the monthly rent adjustment based upon the CPI formula set forth in this Paragraph 26 result in an annual increase greater than five percent (5%) of the monthly base year rent of \$23,406.99.

- ii. In no event shall the monthly rent be adjusted by the CPI formula to result in a lower monthly rent than was payable during the previous year of the Lease.
- 8. Wherever a conflict exists in the terms or conditions of this Amendment No. 2 to Lease No. 63775 and prior amendments or the original Lease, the terms and conditions of this Amendment No. 2 shall prevail. All other terms and conditions of the Lease, as amended, remain unchanged and are hereby reaffirmed in full force and effect.

IN WITNESS WHEREOF, the Lessor has executed this Amendment No. 2 to Lease Agreement No. 63775 or caused it to be duly executed, and the Lessee by order of its Board of Supervisors, has caused this Amendment No. 2 to be executed on its behalf by the Chairman of said Board and attested by the Clerk thereof the day, month, and year first above written.

LESSOR:

SAFCO EQUITY PARTNERSHIP

By: Safco Holding Corp.
its General Partner

By: [Signature]

Its: president

ATTEST:

VIOLET VARONA-LUKENS
Executive Officer-Clerk
of the Board of Supervisors

LESSEE:

COUNTY OF LOS ANGELES

By _____
Deputy

By _____
Mayor, Board of Supervisors

APPROVED AS TO FORM
Raymond G. Fortner, Jr.
County Counsel

By: [Signature]
Amy M. Caves
Senior Associate County Counsel

1660MissionBlvd.Amd2

EXHIBIT A

LEGAL DESCRIPTION

PARCEL MAP NO. 19445, In the City of Pomona, County of Los Angeles, State of California.

Being a subdivision of a portion of Lot 2 of Tract No. 4581 as per map recorded in Book 52 Pages 2 and 3 of Maps, and Lots 17 through 44, inclusive, and portions of Tract No. 15511 as per Map recorded in Book 337, Pages 1 and 2 of Maps, all records of the County of Los Angeles, State of California.